

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
FEBRUARY 16, 2004**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, February 16, 2004.

The meeting was called to order at 7 PM by Chairman Ken Sendelweck who presided.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Ken Sendelweck – Chairman
Greg A. Krodel – Vice Chairman
Edward J. Kreilein – Secretary
Jeffrey S. Theising – Water Commissioner
Mike Harder – Wastewater Commissioner
Dennis L. Hasenour – Gas Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Windell Toby – Electric Generation Manager
Thomas A. Lents – Wastewater Manager
Michael A. Oeding – Gas & Water Manager
Kenneth R. Schultz – Business Manager
Sandy Hemmerlein – City Attorney

ABSENT:

Michael A. Schwenk – Electric Commissioner

PLEDGE OF ALLEGIANCE (B-22)

Chairman Ken Sendelweck led the Pledge of Allegiance.

BID OPENING: ASBESTOS REMOVAL – POWER PLANT (B-31)

City Attorney Sandy Hemmerlein stated the notice to bidders was published in the Herald on January 28, 2004 and on February 4, 2004.

Hemmerlein opened the bids and read them aloud as follows:

1. Specialty Systems, Inc. \$75,000.00
Indianapolis, IN

A signed non-collusion affidavit and a certificate of insurance were included.

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| 2. | Incorp, Inc.
Evansville, IN | \$51,299.00 |
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A signed non-collusion affidavit and a certificate of insurance were included.

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| 3. | Thomas Environmental Service, Inc.
Evansville, IN | \$92,145.00
+ 500.00 additional work on 2 nd & 3 rd floor
\$92,645.00 |
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A signed non-collusion affidavit was included.

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| 4. | Elite Environmental Service, Inc.
Evansville, IN | \$112,311.00 |
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A signed non-collusion affidavit was included.

Windell Toby said due to IDEM notification time limits, he needed Board approval to proceed with the low bid, if the specifications and the insurance requirements are met.

Dennis Hasenour made a motion to allow Windell Toby to proceed with the lowest bid, based on meeting the contract specifications and the insurance requirements. Greg Krodel seconded the motion. Motion approved, 6-0.

This was part of Toby's 2004 Capital Expenditure Plan.

QUOTE OPENING: REPLACEMENT FOR TRUCK #10 – GAS & WATER (B-136)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

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| 1. | Sternberg Chrysler
Jasper, IN | 2004 Dodge RAM SLT Regular cab 4 X 4
\$20,492.00 |
| 2. | Washington Chrysler Center
Washington, IN | 2004 Dodge RAM SLT Regular cab 4 X 4
\$21,082.00 |

Mike Oeding stated he requested three quotes, but only received two.

Ed Kreilein made a motion for Mike Oeding to take the quotes under advisement and report back at the March meeting. Mike Harder seconded the motion. Motion approved, 6-0.

QUOTE OPENING: SKID STEER LOADER – GAS & WATER (B-177)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

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| 1. | Case/Hopf Equipment, Inc.
Huntingburg, IN | \$25,665.00
- 22,315.00 trade in – 2003 skid steer loader
\$ 3,350.00 |
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Mike Oeding commented that this is the annual skid steer loader replacement program.

Mike Harder made a motion to allow Mike Oeding to proceed with ordering the skid steer loader if it meets the specifications. Ed Kreilein seconded the motion. Motion approved, 6-0.

This was part of Oeding's 2004 Capital Expenditure Plan.

QUOTE OPENING: NEW VEHICLE – WASTEWATER (B-204)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

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| 1. | Bob Luegers Motors
Jasper, IN | 2004 GMC Safari Cargo Van
\$19,659.00 |
| 2. | Uebelhor & Sons
Jasper, IN | 2004 Astro Cargo Van
\$26,745.00
- 7,010.00 discount
\$19,735.00 |

Hemmerlein read a letter from Sternberg's stating they did not bid due to the fact that Dodge does not make a 4-wheel drive or an all-wheel drive mini cargo van, and they could not meet other specifications.

Greg Krodel made a motion to allow Tom Lents to proceed with the lowest bid, providing it meets all of the specifications. Jeff Theising seconded the motion. Motion approved, 6-0.

QUOTE OPENING: NEW ROOFS – WASTEWATER (B-247)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

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| 1. | Schmidt Contracting, Inc.
Jasper, IN | \$28,630.00
\$1.72 per sq. ft. – to replace plywood decking |
| 2. | Hedinger Roofing
Jasper, IN | \$31,215.00
\$2.00 per sq. ft. – to replace plywood decking |

Dennis Hasenour made a motion for Tom Lents to take the quotes under advisement and to report back at the March meeting. Mike Harder seconded the motion. Motion approved, 6-0.

QUOTE OPENING: TUBE WELDING – POWER PLANT (B-308)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

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| 1. | Precision Piping & Mechanical, Inc.
Evansville, IN | \$26,107.00 |
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A signed non-collusion affidavit and a certificate of insurance were included.

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| 2. | Kennedy Tank & Manufacturing Co., Inc. | \$17,690.00 |
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Indianapolis, IN

A signed non-collusion affidavit and a certificate of insurance were included.

Ed Kreilein made a motion for Windell Toby to take the quotes under advisement and to report back at the March meeting. Jeff Theising seconded the motion. Motion approved, 6-0.

This was part of Toby's 2004 Capital Expenditure Plan.

QUOTE OPENING: DA TANK INSPECTION- POWER PLANT (B-340)

Sandy Hemmerlein commented that our insurance company required this inspection.

Hemmerlein opened the quotes and read them aloud as follows:

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| 1. | Testex, Inc. | \$4,800.00 |
| | Monroeville, PA | |

A signed non-collusion affidavit and a certificate of insurance were included.

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| 2. | Coastal Inspection Services, Inc. | \$3,895.00 |
| | Foxboro, MA | |

A signed non-collusion affidavit and a certificate of insurance were included.

Jeff Theising made a motion for Windell Toby to take the quotes under advisement and to report back at the March meeting. Greg Krodel seconded the motion. Motion approved, 6-0.

BID OPENING: METER TESTING SYSTEM – ELECTRIC DISTRIBUTION (B-372)

Sandy Hemmerlein opened the bids and read them aloud as follows:

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| 1. | Megger | \$24,975.00 |
| | Dallas, TX | |
| 2. | Watt Hour Engineering Co., Inc. | \$20,500.00 |
| | Pearl, MS | + 750.00 Option #11 |
| | | + 500.00 Option #13 |
| | | + 750.00 One day on-site training |
| | | \$22,500.00 |
| 3. | Utility Test Equipment Co. | \$21,100.00 |
| | West Lafayette, IN | - 1,000.00 credit |
| | | \$20,100.00 |

Ed Kreilein made a motion for Jerry Schitter to take the bids under advisement and to report back at the March meeting. Jeff Theising seconded the motion. Motion approved, 6-0.

This was part of Schitter's 2004 Capital Expenditure Plan.

APPROVAL OF MINUTES (B-426)

Chairman Ken Sendelweck presented the minutes of the January 19, 2004 meeting and there being no corrections or amendments, asked for a motion to accept. Jeff Theising made a motion to approve the minutes of the January meeting as presented. Mike Harder seconded the motion. Motion approved, 6-0.

UPDATE – NEW WAREHOUSE ADDITION CONSTRUCTION PROJECT (B-432)

Jerry Schitter reported that progress has been slow due to the cold weather. All of the footers are up. Jasper Lumber has blocked the windows closed in the old warehouse where it meets the new portion. A new underground electric service entrance has been installed. Mehringer's have installed the sanitary sewer line.

APPROVAL OF CHANGE ORDER #2 – WAREHOUSE ADDITION (B-446)

Jerry Schitter reminded the Board that last month he received approval for a unit price to do subsurface excavation below the footings to remove poor soil conditions and then replace it with flowable fill to footing elevation. The engineer's estimate was \$9,500.00, but the actual cost came in at \$10,415.98.

Schitter explained the estimate would have been fairly close, but as they were digging, the ground kept caving in.

Schitter asked for approval of Change Order #2 for \$10,415.98, and to change the contract amount for Jasper Lumber to \$388,293.84, and to add two days to their contract.

Ed Kreilein made a motion to approve Change Order #2 as presented. Dennis Hasenour seconded the motion. Motion approved, 6-0.

Schitter said the estimated completion date is June 4, 2004.

IMEA NEWSLETTER ARTICLE (B-493)

Jeff Theising commented about an article in the latest IMEA newsletter profiling the City of Jasper and the Jasper Municipal Electric Utility celebrating 100 years in the utility business.

FRONT END LOADER (B-504)

Windell Toby reported that the engine is shot on the front-end loader at the Power Plant. Toby said it is quite expensive to rebuild the engine, so they have borrowed a loader from the Street Department.

Toby said the Street Department will be purchasing a new front-end loader and he plans on buying the used loader from them.

ELECTRIC PLANNING COMMITTEE REPORT (B-518)

Jerry Schitter stated that there had not been a meeting to report on.

UPDATE – OLD FILTRATION PLANT DEMOLITION (B-520)

Mike Oeding passed around pictures to show the progress of the old Filtration Plant demolition.

Oeding reported there is a structure in front of the old aerator unit that needs to be removed. He obtained a quote of \$500.00 from Lechner's to eliminate the structure and the confined space. Oeding explained the concrete is 18" thick.

Oeding asked for Board approval to initiate a change order to have the work done before Lechner's moves out of the area.

Jeff Theising made a motion to approve the change order for \$500.00 for Lechner's as presented. Mike Harder seconded the motion. Motion approved, 6-0.

UPCOMING GAS & WATER PROJECTS (B-564)

Park & Rec. – Co. Rd. 100 S. – Water Line Project -

Mike Oeding asked for Board approval to seek bids for the water line installation project on Co. Rd. 100 S.

Mike Harder made a motion to allow Mike Oeding to seek bids for the water line installation project. Ed Kreilein seconded the motion. Motion approved, 6-0.

Top of "Y" Project -

Mike Oeding reported that Lechner's has started doing some digging, but Gas Utility personnel will do the gas line relocation as time permits.

Lechner Lane & Hwy 56 Project -

Mike Oeding reported that the bid is being moved from May to December. Initial contact has been made with Ireland Water.

Meridian Road – Gas Pressure Problems -

Mike Oeding reported on gas pressure problems with Decora on Meridian Rd. He said last year a gas line was extended from the Holy Family area to Meridian Rd. in anticipation of it helping with the pressure problems, but when the weather was so cold at the beginning of February, the pressure dropped to almost zero at the Decora Plant.

Oeding said he received a call from a representative of Columbus Oil Field Exploration and was offered a possible solution. They want to run a gas line from just south of Decora to the northeast corner of the intersection of the bypass road and Meridian Rd., and they want the Jasper Gas Utility to transport the gas through our system from the Co. Rd. 100 S. area to them so they can provide gas to an asphalt plant on Hwy 162. In return, during the winter, they would have excess gas they could bring to the Meridian Rd. area to help alleviate the pressure problems.

Oeding said all of the information is preliminary, but he wanted to make the Board aware of the problem and a possible solution.

GAS & WATER BUILDING – TERRY LANE (B-682)

Mike Oeding stated that the old Gas & Water building is deteriorating and something needs to be done with it.

Oeding said he has asked several times at Department Head meetings if anyone is interested in the building, but hasn't received any response.

Sandy Hemmerlein stated that if Oeding wants to dispose of the building, he would need to obtain a joint appraisal, and then decide if he wants to do bidding or an auction.

Oeding said the Street Department is currently using part of the building and he wants to check with them to see when they will be vacating the building.

Dennis Hasenour made a motion to allow Mike Oeding to proceed with a joint appraisal of the Gas & Water building at 2350 Terry Lane. Greg Krodel seconded the motion. Motion approved, 6-0.

UPDATE – 8TH ST. CLEARWELL & SOUTH TANK PROJECT (B-722)

Mike Oeding reported there would not be any progress on the South Tank project until they resume work in April or May.

Oeding reported that he received a letter from Commonwealth concerning the 12" water main that shifted during work on the 8th St. Clearwell project, resulting in a line break and subsequently a boil order for the City. He said Mitchell & Stark's insurance carrier is going to accept claims from the Water Department and the Street Department for water testing, a new valve installation, street repairs, etc.

Oeding also reported the motor control center has been delayed, but it shouldn't effect the completion date.

GAS PLANNING COMMITTEE REPORT (B-749)

Dennis Hasenour, Chairman of the Gas Planning Committee, stated there had not been a meeting to report on.

WATER PLANNING COMMITTEE REPORT (B-750)

Jeff Theising, Chairman of the Water Planning Committee, stated there had not been a meeting to report on.

RESULTS OF JANUARY VEHICLE QUOTE OPENING – WASTEWATER (B-751)

Tom Lents reported the low bid for the Industrial Pretreatment van was from Uebelhor's for \$19,285.00, which met all of the specifications.

Mike Harder made a motion to accept the low bid of \$19,285.00 from Uebelhor's. Jeff Theising seconded the motion. Motion approved, 6-0.

This was part of Lents' 2004 Capital Expenditure Plan.

WASTEWATER PLANNING COMMITTEE REPORT (A-2)

Mike Harder, Chairman of the Wastewater Planning Committee, stated there had not been a meeting to report on.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (A-7)

Ed Kreilein reported the Finance Committee had met and reviewed the claims on the Claim Docket.

Also presented were claims on behalf of Commonwealth Engineering, Inc. in the amount of \$4,889.03, representing ongoing engineering services for the Wastewater Project; and, on behalf of Harrison and Moberly, LLP in the amount of \$5,170.00, representing legal expenses associated with the Titan Contracting default for the Wastewater Project.

SRF and BIF funds have been exhausted, therefore after Utility Service Board approval, the above referenced claims will be paid from Wastewater funds.

Also presented were claims on behalf of Commonwealth Engineering, Inc. in the amount of \$3,276.00, representing ongoing engineering services for the Water Project; and, on behalf of Mitchell & Stark Construction Co. in the amount of \$46,541.00, representing construction services for the Water Project.

After Utility Service Board approval, the above referenced claims will be submitted to the State Revolving Loan Fund for payment.

Ken Schultz also presented the final payment request from Reynolds, Inc. for Division A (Eastown/Whoderville) of the Wastewater Project and requested the Committee recommend approval to make a final payment to Reynolds from retainage funds and close the escrow account. Reconciliation of the escrow account revealed the following:

Total deposits made to escrow	\$23,901.59
Interest earned and deposited to escrow	<u>429.50</u>
Balance in escrow as of February 16, 2004	\$24,331.09

Recommendation to the Board was as follows:

Disbursements: Escrow Fee to SVB&T	\$ 125.00
Reynolds, Inc.	6,208.09
Damages to Wastewater	<u>17,998.00</u>
	\$24,331.09

The Finance Committee recommended approval of the claims as presented.

Ken Schultz explained he received a call from Ed Tinkle of Commonwealth last week stating that he received and was passing along the final pay request from Reynolds for this portion of the project. Mr. Tinkle recommended closing the escrow account and disbursing the funds. Schultz said if by chance Reynolds was to come back and say they don't agree with the damages, we still have the money to negotiate with. The retainage amount of \$17,998.00 represents the additional engineering expenses that we incurred because Reynolds was behind in the project. Schultz said the Board hasn't actually seen the liquidated damages claim, but the money will be set aside for that purpose, if it comes to that.

There was some discussion concerning the retainage amount of \$17,998.00 versus the amount of the actual number of days delayed times \$500 per day.

Chairman Sendelweck suggested getting more information and deferring it to the Wastewater Planning Committee for further discussion.

Tom Lents stated he wants time to talk to some of his employees concerning any expenses they incurred due to the delay.

Greg Krodel made a motion to accept the claims as presented, excluding the final payment request from Reynolds, Inc. Jeff Theising seconded the motion. Motion approved, 6-0.

There being no further business to come before the Board, the meeting was adjourned at 8:15 PM upon motion by Dennis Hasenour and second by Ed Kreilein. Motion approved, 6-0.

Attest: _____
Secretary

Chairman